

Radico Khaitan

Cheaper ENA to bring merrier times

Radico Khaitan Ltd (RKL) is a leading manufacturer of Indian made foreign liquor (IMFL). It has a strong pan-India presence with growing sales in the premium brands category.

Raw material prices expected to ease: We expect the price of extra neutral alcohol (ENA), a key raw material for the company, to remain stable and potentially even decline going forward. This is because sugar production during the October 2014 to May 2015 period has risen by ~16% yoy to 27.9mn tonne, which is an 8-year high production level. As a result ENA (a by-product of sugarcane) production too would be higher this year. Secondly, demand for ethanol (a by-product of sugarcane) from Indian oil marketing companies for blending with petrol, is also expected to be lower as the price of petrol is around ~₹34/liter (excluding taxes) and that of ethanol is around ₹48-49/liter, thus making it unviable to blend ethanol with petrol.

Pricing environment expected to be favourable for IMFL industry: Our interaction with liquor companies suggests that the industry has now bottomed out. We expect the industry's pricing environment to likely get better going ahead mainly because there has not been any significant price hike in products in recent times due to delay in approval by various state governments. Hence, the industry is now expecting significant price hike in the coming financial year. Also, the industry leader – United Spirits - has been facing pressure at the operating level and the company has a huge debt on its balance sheet. Hence we believe that the company's new Management would shift focus on profitability over volume growth, which in turn, would lead to increased scope for other liquor companies to hike prices.

Higher proportion of Premium products in volume mix to drive profitability: In the IMFL segment, more than 20% of the company's volumes come from prestige and above products, which is a high margin business, and the balance volumes come from regular and others brands. Since the last seven years, the company's prestige and above brands' volume has reported a CAGR of ~26% and their share in the product mix has increased from 7.9% in FY2009 to 20.7% in FY2015. We expect volume contribution of prestige and above products in the IMFL segment to increase further on back of higher ad spend. The company has roped in Hrithik Roshan as its brand ambassador. Also, RKL's presence in the prestige Vodka segment is under penetrated which leaves scope for growth. Thus, this would improve the overall margin for the company and result in higher profitability.

Valuation: On a trailing basis, RKL is trading at 1.2x EV/Sales, which is at a discount compared to its close peers like United Spirits (trading at 5.9x EV/Sales). Further, Tilaknagar Industries is trading at 1.5x EV/Sales in spite of it having lesser presence in the premium brands segment and in spite of its small size and regional focus. Considering consensus numbers of FY2017, RKL is trading at a 78% discount (in terms of P/E valuation) to United Spirits, which is unjustified in our view. **At the current market price, RKL trades at a P/E of 12.4x FY2017E EPS. We initiate coverage on the stock with a Buy rating and target price of ₹112 (17x FY2017E EPS), indicating an upside of ~37% from the current levels.**

Key Financials

Y/E March (₹ cr)	FY2014	FY2015	FY2016E	FY2017E
Net sales	1,452	1,488	1,565	1,687
% chg	15.4	2.5	5.1	7.8
Net profit	71	68	72	88
% chg	(7.8)	(5.1)	6.5	21.7
EBITDA margin (%)	13.3	11.4	11.9	12.4
EPS (₹)	5.4	5.1	5.4	6.6
P/E (x)	15.3	16.1	15.1	12.4
P/BV (x)	1.4	1.3	1.2	1.1
RoE (%)	9.1	8.1	8.0	9.0
EV/Sales (x)	1.3	1.2	1.2	1.1

Source: Company, Angel Research, Note: CMP as of July 14, 2015

BUY

CMP	₹82
Target Price	₹112

Investment Period	12 Months
-------------------	-----------

Stock Info

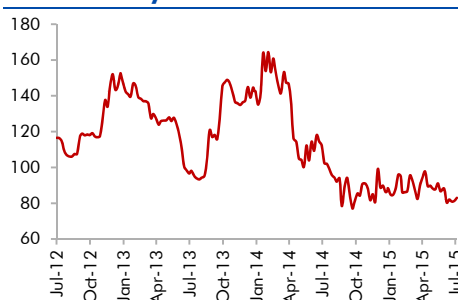
Sector	Breweries & Distilleries
Market Cap (₹ cr)	1,093
Net Debt (₹ cr)	741
Beta	0.8
52 Week High / Low	107 / 75
Avg. Daily Volume	89,936
Face Value (₹)	2
BSE Sensex	27,933
Nifty	8,454
Reuters Code	RADC.BO
Bloomberg Code	RDCK@IN

Shareholding Pattern (%)

Promoters	40.5
MF / Banks / Indian Fls	11.1
FII / NRIs / OCBs	18.5
Indian Public / Others	29.9

Abs. (%)	3m	1yr	3yr
Sensex	(4.2)	9.0	58.7
RKL	(12.3)	(20.5)	(28.9)

3-Year Daily Price Chart



Source: Company, Angel Research

Amarjeet S Maurya

022-39357800 Ext: 6831

amarjeet.maurya@angelbroking.com

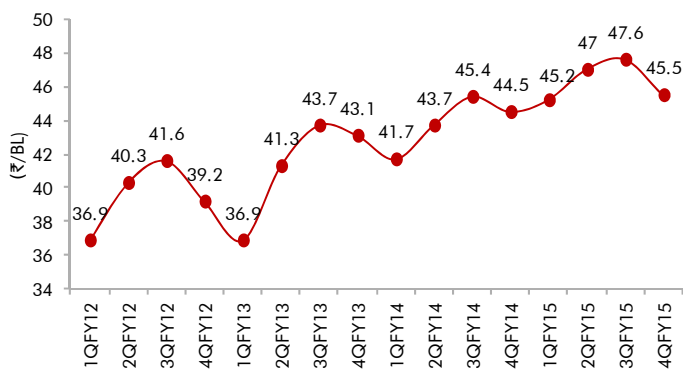
Investment Arguments

Raw material prices expected to ease or remain stable

RKL's key raw material is ENA, the price of which has increased by ~23% from ₹36.9 per BL in FY2012 to ₹45.5 per BL in FY2015

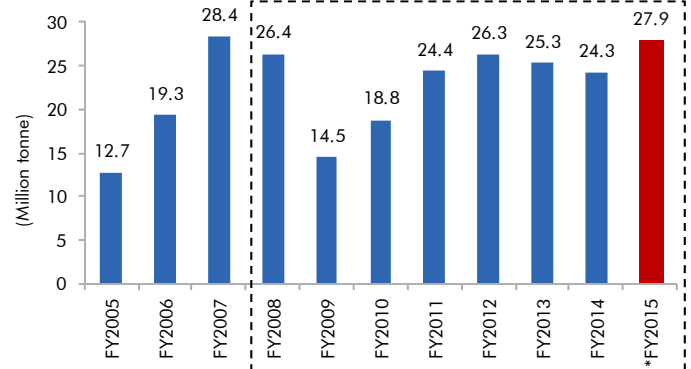
The company's key raw material is ENA, the price of which has increased by ~23% from ₹36.9 per BL in 1QFY12 to ₹45.5 per BL in 4QFY15. During these financial years, prices have increased due to various reasons like lower level of sugarcane production which has resulted in lower supply of molasses (by-product of sugarcane). Further, Indian oil companies have also started procuring ethanol for blending with petrol which has also led to an increase in the price of ENA.

Exhibit 1: Historical ENA price trend



Source: Company, Angel Research

Exhibit 2: Sugar production hits 8 year high



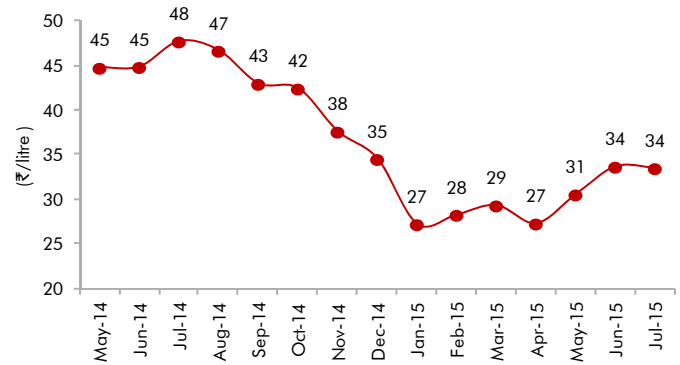
Source: Indian Sugar Mills Ass., *Period between Oct. 2014 to May 2015

Exhibit 3: Significant correction in crude oil price



Source: Capitaline, Company, Angel Research

Exhibit 4: Procurement in cost of petrol (excl. taxes)



Source: BPCL, Angel Research

Going forward, we expect prices of ENA to decline or remain stable. This would be on account of the following reasons: -

- Higher sugar production:** Sugar production during the October 2014 to May 2015 period rose by ~16% yoy to 27.9mn tonne. This is an 8-year high level of production. The government projects sugar production at around 28.3mn tonne until October this year. As a result ENA production too would be higher this year, thus leading to decline in its prices.
- Lower demand for ethanol from Indian oil marketing companies:** The procurement cost of petrol (excluding taxes) has reduced from ~₹48/litre in July 2014 to ~₹34/litre in July 2015 due to falling crude oil prices. Earlier, oil companies were procuring ethanol (to blend with petrol) at ₹44-45/litre when

the procurement cost of petrol was around ~₹48/liter. Now, the price of petrol is around ~₹34/liter and ethanol costs around ₹48-49/liter which makes it unviable to blend ethanol with petrol. Thus, this would cut down demand for ethanol and lead to a decline in its prices.

We believe higher production of sugarcane and lower demand for ethanol from Indian oil marketing companies would lead to softness in the prices of ENA. This would be a positive for the liquor industry which has been facing pressure on the operating margin front due to higher ENA prices and lower price hikes.

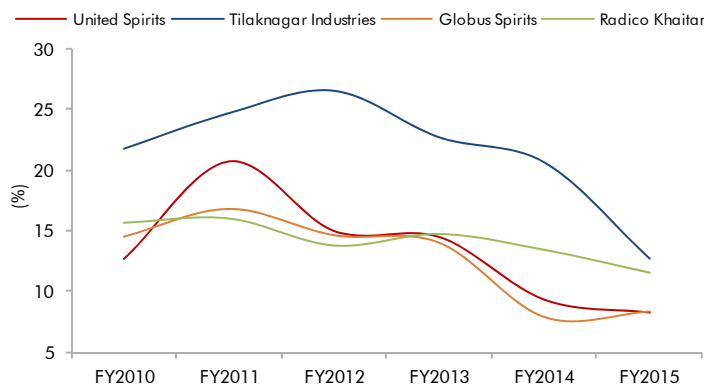
Pricing environment expected to be favorable for IMFL industry

The Indian liquor industry is a high risk industry due to higher taxes and innumerable regulations governing it. As a result, Indian liquor companies are suffering from low pricing flexibility and have insufficient capacities, which is consequently leading to their poor financial performance.

During FY2011 to FY2015 Indian liquor companies witnessed pressure at the operating level due to high competition and firm ENA prices

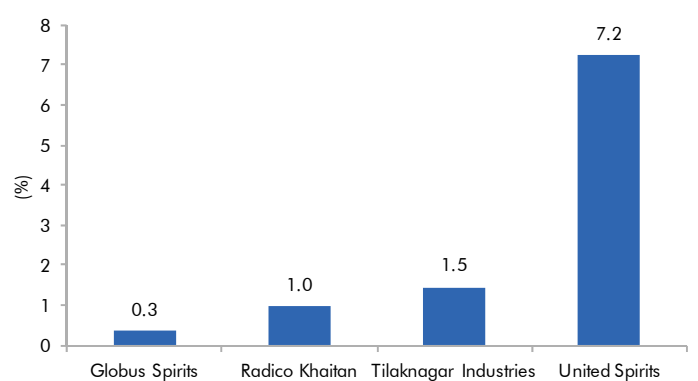
During FY2011 to FY2015 Indian liquor companies witnessed pressure at the operating level due to high competition and firm ENA prices. During the same period, various Indian liquor companies like United Spirits, Tilaknagar Industries, Globus Spirits and RKL reported EBITDA margin reduction of 1,255bp, 1,198bp, 850bp and 448bp, respectively. Also, the companies have high debt on their balance sheets, thus resulting in higher interest costs, and in turn lower profitabilities.

Exhibit 5: Declining margins of liquor companies



Source: Company, Angel Research

Exhibit 6: Higher debt/equity ratio



Source: Company, Angel Research

Our interaction with some liquor companies suggests that the industry has now bottomed out. We now expect the industry's pricing environment to likely get better going ahead due to the following reasons:

- Since the last two years, the industry has not received any significant price hike in its products due to delay in approval by state governments for the same. Radico Khaitan has received price hikes in only a few states in the last eight quarters. Hence, the industry is now expecting significant price hikes in the coming financial year.

Exhibit 7: Price hikes announced during last eight quarters

Sr. No.	State Name	During the quarter
1	Tamil Nadu	2QFY2015
2	Bihar,	1QFY2014
3	Delhi,	1QFY2014
4	Odisha and other key liquor consuming state	1QFY2014

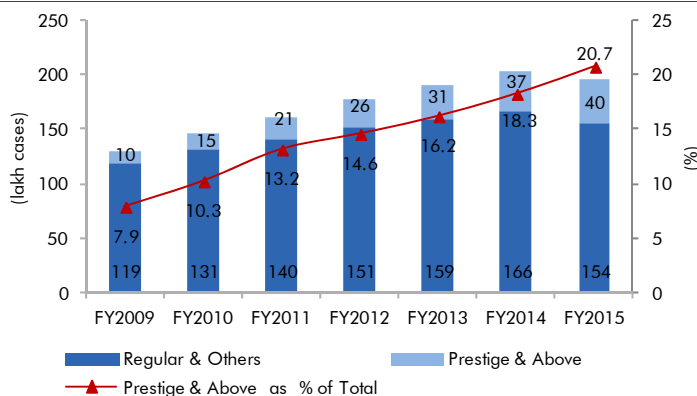
Source: Company, Angel Research

- (b) The industry leader – United Spirits - is facing pressure at the operating level and the company has a huge debt on its balance sheet. Hence we believe that the company's new Management would shift focus on profitability over volume growth, which in would lead to increased scope for other liquor companies to hike prices.

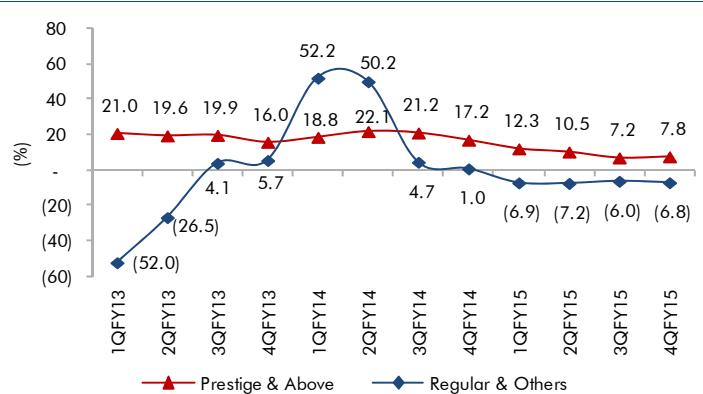
Higher mix of Premium products to drive profitability for RKL

Since the last seven years, the company's prestige and above brands' volume has reported a CAGR of ~26% and their share in the product mix has increased from 7.9% in FY2009 to 20.7% in FY2015

In the IMFL segment, more than 20% of the company's volumes come from prestige and above products like Magic Moments Vodka and Morpheus Premium Brandy, and the balance from regular and others brands like Old Admiral Brandy, Contessa Rum, 8 PM Whisky etc. The company's prestige and above brands command higher margins than regular and others brands. Since the last seven years, the company's prestige and above brands' volume has reported a CAGR of ~26% and their share in the product mix has increased from 7.9% in FY2009 to 20.7% in FY2015.

Exhibit 8: Improving product mix in favour of Premium segment


Source: Company, Angel Research

Exhibit 9: Higher volume growth yoy in Premium segment


Source: Company, Angel Research

RKL is now more focused on selling higher margin products like Magic Moments Vodka and Morpheus Premium Brandy. Also, we expect volume contribution of prestige & above category products in IMFL segment to increase which would improve the overall margin for the company and result in higher profitability.

Wide distribution network with strong brands

Currently, the company is selling its products through over 45,000 retail outlets and over 5,000 on-premise outlets

RKL has a strong sales and distribution network with a presence in retail and off-trade outlets in the relevant segments in different parts of India. Currently, the company is selling its products through over 45,000 retail outlets and over 5,000 on-premise outlets. Apart from wholesalers, a total of around 300 employees divided into four zones, each headed by regional profit centre head, ensure an adequate on-the-ground sales and distribution presence across the country.

Apart from this, the company has strong brands like Magic Moments Vodka, Morpheus Brandy, Verve Vodka, Florence Brandy, After Dark Whisky etc.

Exhibit 10: Magic Moments Vodka – Marketing Campaign



Source: Company, Angel Research

Exhibit 11: Magic Moments Flavoured Vodka – Marketing Campaign

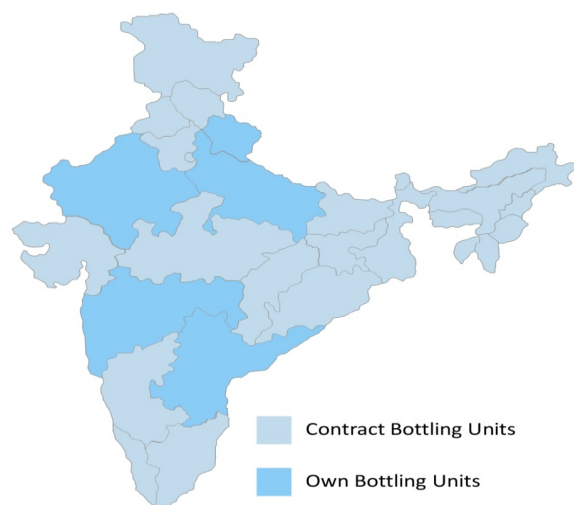


Source: Company, Angel Research

RKL has 33 bottling units spanning almost the entire country, of which 5 belong to the company and 28 are contract bottling units

The company has 33 bottling units spanning almost the entire country, of which 5 belong to the company and 28 are contract bottling units. RKL's strategic bottling units are spread across the country in order to avoid the high taxes levied on inter-state movement of finished and in-process liquor.

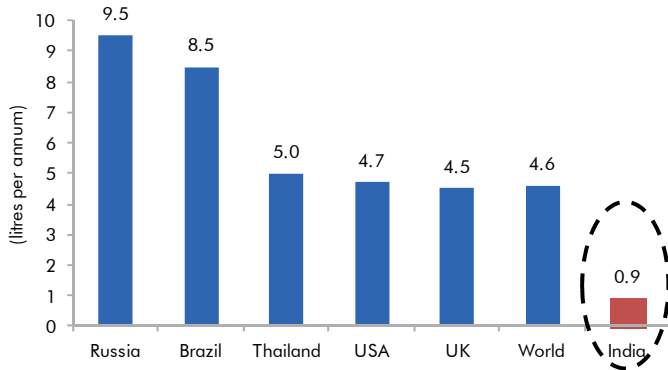
Exhibit 12: Contract & owned bottling units across india



Source: Company, Angel Research

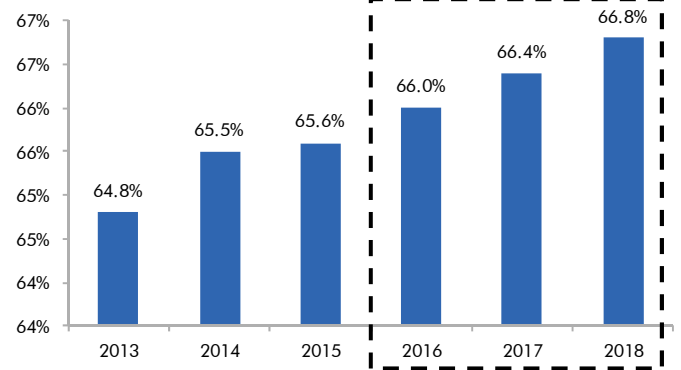
IMFL Industry Potential...

Exhibit 13: India's per capita consumption of alcoholic beverages is among the lowest in the world



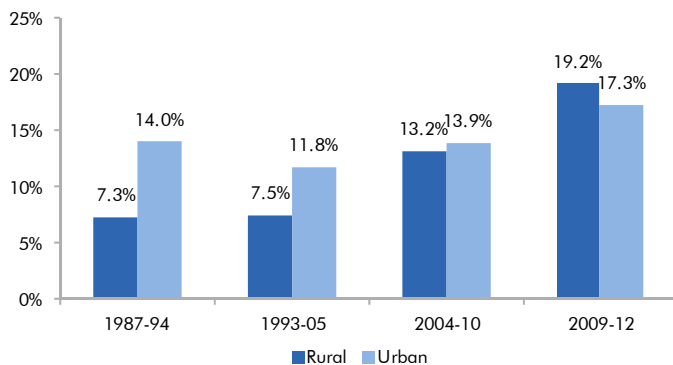
Source: Company, Angel Research

Exhibit 14: Favourable demographics - % of population of above legal drinking age



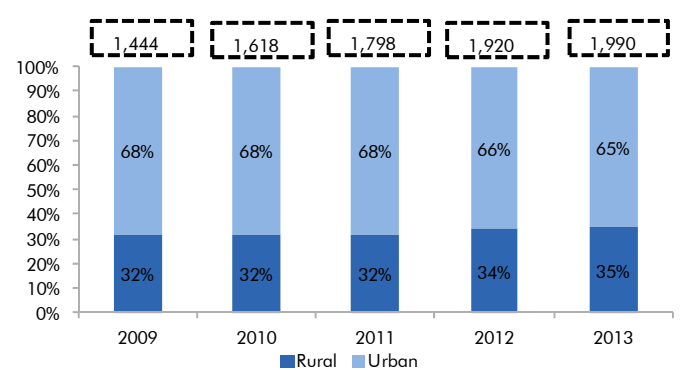
Source: Company, Angel Research

Exhibit 15: Alcohol consumption - monthly per capita expenditure growth (%)



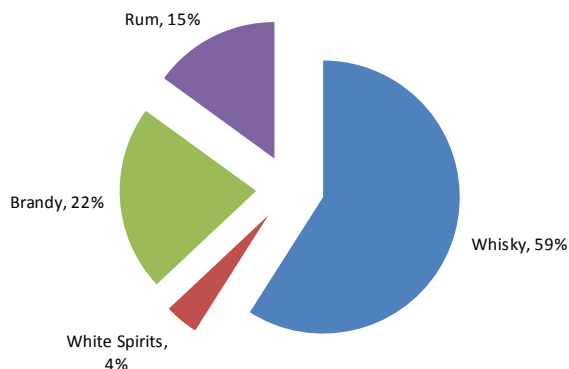
Source: Company, Angel Research

Exhibit 16: Rural vs. Urban Consumption Trend (mn litres)



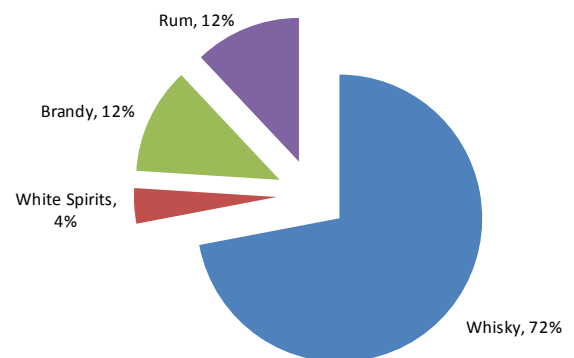
Source: Company, Angel Research

Exhibit 17: Sales of Spirits by Category (Volume): CY2013



Source: Company, Angel Research

Exhibit 18: Sales of Spirits by Category (Value): CY2013



Source: Company, Angel Research

Outlook and Valuation

The company has not performed well in the last two years due to increasing material costs (ENA is a key raw material) and with it not receiving significant price hikes from various states. We expect the company to perform well going forward in anticipation of easing material costs and on expectation of better price hikes. This would result in an overall improvement in the operating margin of the company. Also, with the company having reduced significant debt from its balance sheet, it would be able to report an improvement in its profitability. We expect the company to report a strong earnings CAGR of ~14% to ~₹88 over FY2015-17E.

On a trailing basis, RKL is trading at 1.2x EV/Sales, which is at a discount compared to its close peers like United Spirits (trading at 5.9x EV/Sales). Further, Tilaknagar Industries is trading at 1.5x EV/Sales in spite of it having lesser presence in the premium brands segment and in spite of its small size and regional focus. Considering consensus numbers of FY2017, RKL is trading at a 78% discount (in terms of P/E valuation) to United Spirits, which is unjustified in our view.

At the current market price of ₹83, the stock trades at a PE of 15.1x and 12.4x its FY2016E and FY2017E EPS of ₹5.4 and ₹6.6, respectively. We initiate coverage on the stock with a Buy recommendation and target price of ₹112, based on 17x FY2017E EPS, indicating an upside of ~37% from the current levels.

Exhibit 19: One year forward –PE chart



Source: Company, Angel Research

Exhibit 20: Current PE chart trading below 6 years avg.



Source: Company, Angel Research

Exhibit 21: Relative valuations

	CMP (₹)	Mcap (₹)	EPS (₹)		PE (x)		EV/Sales (x)		P/BV (x)		ROE (%)	
			FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17
Radico Khaitan	82	1,093	5.4	6.6	15.1	12.4	1.2	1.1	1.2	1.1	8.0	9.0
United Spirits	3,477	50,487	38.0	60.3	91.6	57.7	5.3	4.7	13.4	12.9	26.1	30.0
Tilaknagar Inds.	32	401	2.7	5.4	11.9	5.9	1.5	1.3	0.6	0.5	5.1	8.6

Source: Bloomberg consensus, Angel Research

The downside risks to our estimates include

- 1) Lower than expected price hike or delay in price hike from various states could pressure the operating margin of the company.
- 2) Increase in key material prices like ENA would drag the overall profitability.
- 3) Any regulatory issue or increase in taxes from state governments could restrict the volume growth of the company.
- 4) The company's ~8% (percentage to total shares) shares are pledged by Promoter and Promoter Group.
- 5) The company is exposed to currency risk with it having foreign currency debt of ₹361cr on its balance sheet as of 31-03-2014.

Company Background

Radico Khaitan Limited (RKL) is an India-based spirits company. It is engaged in the manufacture of liquor. The company has three distilleries and one JV with total capacity of 150 mn litres and 33 bottling units spread across the country. The company is one of the largest providers of branded IMFL to the Canteen Stores Department (CSD), which has significant entry barriers. RKL's brands include After Dark Whisky, Magic Moments Vodka, Morpheus Brandy, Contessa Rum, Old Admiral Brandy and 8 PM. Its liquor business also includes rectified spirit, country liquor and IMFL. Its alcohol products include rectified spirit, silent spirit, cane juice spirit, malt spirit, grain spirit and ethanol. The company's PET division produces a range of PET bottles and jars for industries, such as pharmaceutical, cosmetics, home and personal care, edible oil and confectionery.

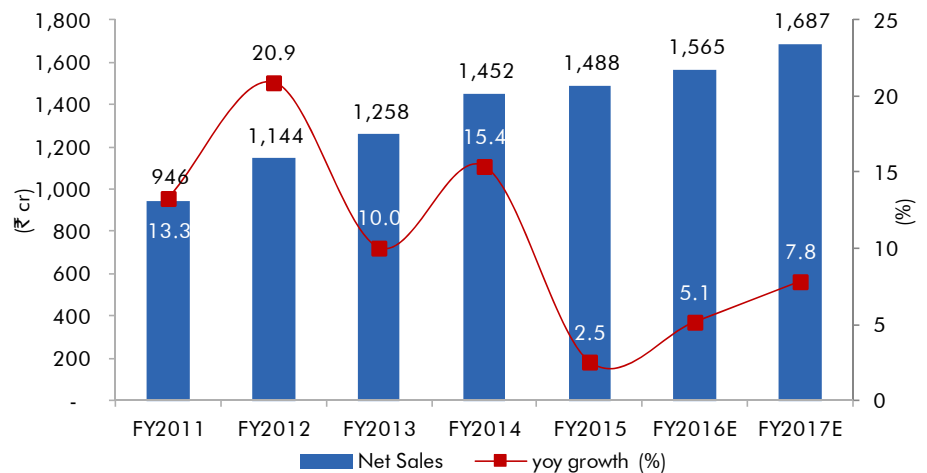
Financial outlook

Top-line likely to clock a CAGR of 6.5% over FY2015-17E

Going forward, we expect RKL to register healthy top-line CAGR of 6.5% over FY2015-17E

RKL has reported net revenue CAGR of ~8.8% over FY2012-15 on the back of volume growth in premium brands. Going forward, we expect RKL to register healthy revenue CAGR of 6.5% over FY2015-17E on the back of higher growth in premium brands and on expected price hikes. Hence, we expect the company's net sales to grow by ~5% yoy and ~8% yoy in FY2016 and FY2017, respectively.

Exhibit 22: Projected Net Sales growth trend



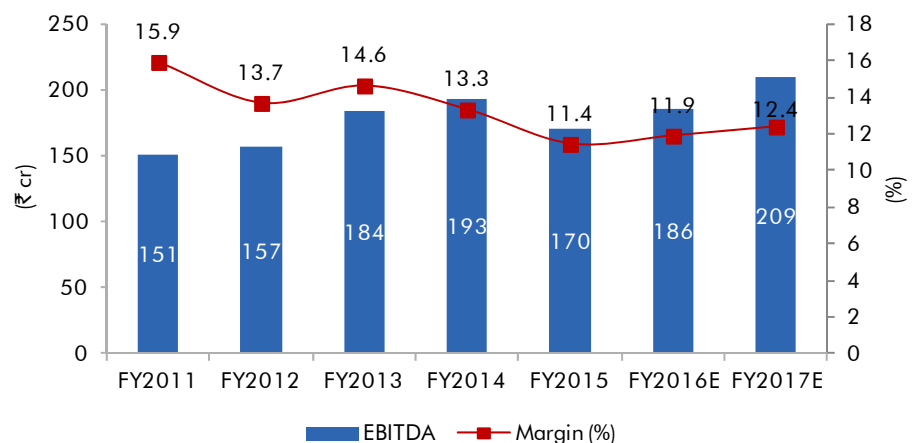
Source: Company, Angel Research

EBITDA to witness a CAGR of ~11% over FY2015-17E

Going forward, we expect the company's EBITDA margin to be in the range of 12-12.5%

Going forward, we expect the company's operating margin to improve on back of anticipated lower raw material prices (ENA; due to higher production of sugarcane) and expect price hikes from state governments (the company has not received any significant price hike in most of the states in the last two years). We expect the operating margin to stand at 11.9% in FY2016E and 12.4% in FY2017E.

Exhibit 23: Projected EBITDA and margin trend



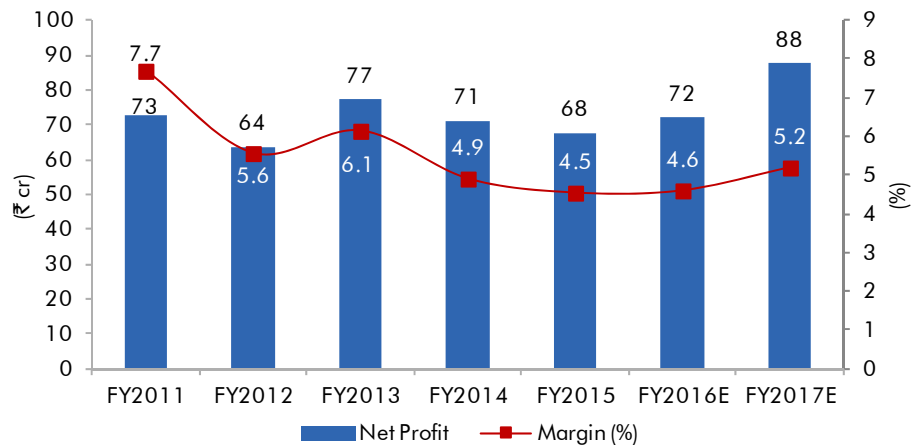
Source: Company, Angel Research

Company to report healthy growth

We expect ~14% CAGR in Net Profit over FY2015-17E

We expect the company to post ~14% CAGR in net profit over FY2015-17E, mainly led by decent net sales growth and improvement in operating margin. Further, in FY2015 the company has reduced significant amount of debt which would reduce the interest cost burden.

Exhibit 24: Projected Net Profit growth trend

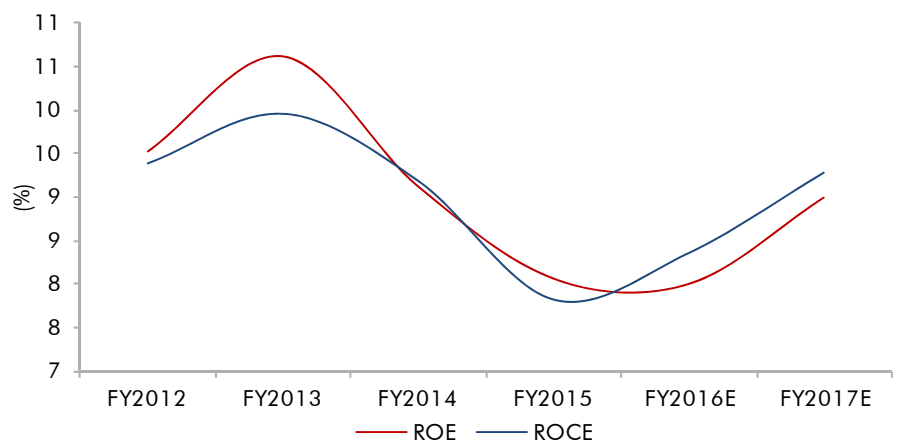


Source: Company, Angel Research

Return ratios expected to bounce back

We expect the company to report improvement in its ROE and ROCE on the back of healthy profitability with strong revenue growth (on back of volume growth and increase in average price hike). In our view, the company is likely to report a ROE of 8.1% to 9.0% and ROCE of 7.8% to 9.3% respectively from FY2015 to FY2017E.

Exhibit 25: Improving ROE & ROCE



Source: Company, Angel Research

Profit & Loss Statement

Y/E March (₹ cr)	FY2012	FY2013	FY2014	FY2015	FY2016E	FY2017E
Total operating income	1,144	1,258	1,452	1,488	1,565	1,687
% chg	20.9	10.0	15.4	2.5	5.1	7.8
Total Expenditure	987	1,074	1,258	1,318	1,379	1,478
Raw Material Cost	546	585	653	717	735	789
Personnel Expenses	71	79	93	107	117	132
Selling & Administrative Exp.	205	235	286	284	321	337
Others Expenses	166	176	226	210	205	219
EBITDA	157	184	193	170	186	209
% chg	3.9	17.7	5.0	(11.9)	9.3	12.3
(% of Net Sales)	13.7	14.6	13.3	11.4	11.9	12.4
Depreciation & Amortisation	33	35	39	38	41	42
EBIT	124	149	155	132	145	167
% chg	0.1	20.4	3.9	(14.6)	10.1	15.1
(% of Net Sales)	10.8	11.8	10.7	8.9	9.3	9.9
Interest & other Charges	58	70	85	90	84	84
Other Income	21	30	36	45	45	45
(% of PBT)	24.6	27.8	34.3	51.6	42.5	34.9
Share in profit of Associates	-	-	-	-	-	-
Recurring PBT	87	109	106	87	106	129
% chg	(12.6)	25.7	(2.6)	(18.1)	21.5	21.7
Prior Period & Extra. Exp./(Inc.)	-	-	-	-	-	-
PBT (reported)	87	109	106	87	106	129
Tax	23	32	35	19	34	41
(% of PBT)	26.8	29.3	33.0	22.4	32.0	32.0
PAT (reported)	64	77	71	68	72	88
% chg	(12.6)	21.4	(7.8)	(5.1)	6.5	21.7
(% of Net Sales)	5.6	6.1	4.9	4.5	4.6	5.2
Basic EPS (₹)	4.8	5.8	5.4	5.1	5.4	6.6
Fully Diluted EPS (₹)	4.8	5.8	5.4	5.1	5.4	6.6
% chg	(12.7)	21.2	(7.9)	(5.1)	6.5	21.7

Balance Sheet

Y/E March (₹ cr)	FY2012	FY2013	FY2014	FY2015E	FY2016E	FY2017E
SOURCES OF FUNDS						
Equity Share Capital	27	27	27	27	27	27
Reserves & Surplus	642	702	754	812	873	948
Shareholders Funds	668	728	781	839	900	974
Total Loans	650	768	904	849	840	830
Deferred Tax Liability	65	70	85	85	85	85
Total Liabilities	1,384	1,566	1,770	1,773	1,825	1,889
APPLICATION OF FUNDS						
Gross Block	687	744	821	831	851	871
Less: Acc. Depreciation	185	214	250	288	329	371
Net Block	502	529	571	542	521	500
Capital Work-in-Progress	5	5	8	8	8	8
Investments	111	109	108	98	98	98
Current Assets	1,016	1,161	1,330	1,379	1,462	1,573
Inventories	179	186	211	212	223	236
Sundry Debtors	348	435	523	538	570	615
Cash	21	16	15	10	22	38
Loans & Advances	382	314	441	470	474	506
Other Assets	86	209	139	149	172	179
Current liabilities	259	249	262	270	280	305
Net Current Assets	757	912	1,067	1,109	1,182	1,268
Deferred Tax Asset	9	11	15	15	15	15
Mis. Exp. not written off	-	-	-	-	-	-
Total Assets	1,384	1,566	1,770	1,773	1,825	1,889

Cashflow Statement

Y/E March (₹ cr)	FY2012	FY2013	FY2014	FY2015E	FY2016E	FY2017E
Profit before tax	87	109	106	87	106	129
Depreciation	33	35	39	38	41	42
Change in Working Capital	(15)	(242)	(53)	(47)	(61)	(71)
Interest / Dividend (Net)	37	42	50	90	84	84
Direct taxes paid	(18)	(23)	(26)	(19)	(34)	(41)
Others	18	13	22	-	-	-
Cash Flow from Operations	142	(66)	137	149	137	142
(Inc.)/ Dec. in Fixed Assets	(118)	48	(141)	11	(20)	(20)
(Inc.)/ Dec. in Investments	(9)	(3)	(0)	(10)	-	-
Cash Flow from Investing	(128)	46	(141)	0	(20)	(20)
Issue of Equity	1	1	1	-	-	-
Inc./(Dec.) in loans	109	97	99	(55)	(9)	(10)
Dividend Paid (Incl. Tax)	(11)	(12)	(12)	(10)	(11)	(13)
Interest / Dividend (Net)	(101)	(71)	(84)	(90)	(84)	(84)
Cash Flow from Financing	(2)	15	3	(154)	(105)	(107)
Inc./(Dec.) in Cash	12	(5)	(1)	(5)	12	16
Opening Cash balances	9	21	16	15	10	22
Closing Cash balances	21	16	15	10	22	38

Key Ratios

Y/E March	FY2012	FY2013	FY2014	FY2015E	FY2016E	FY2017E
Valuation Ratio (x)						
P/E (on FDEPS)	17.1	14.1	15.3	16.1	15.1	12.4
P/CEPS	11.3	9.7	9.9	10.3	9.7	8.4
P/BV	1.6	1.5	1.4	1.3	1.2	1.1
Dividend yield (%)	1.0	1.0	1.0	0.9	1.0	1.2
EV/Sales	1.4	1.4	1.3	1.2	1.2	1.1
EV/EBITDA	10.3	9.4	9.7	10.8	9.7	8.5
EV / Total Assets	1.0	1.0	0.9	0.9	0.9	0.8
Per Share Data (₹)						
EPS (Basic)	4.8	5.8	5.4	5.1	5.4	6.6
EPS (fully diluted)	4.8	5.8	5.4	5.1	5.4	6.6
Cash EPS	7.3	8.5	8.3	8.0	8.5	9.7
DPS	0.8	0.8	0.8	0.8	0.8	1.0
Book Value	50.4	54.8	58.7	63.0	67.6	73.2
Returns (%)						
ROCE	9.4	10.0	9.2	7.8	8.4	9.3
Angel ROIC (Pre-tax)	10.4	10.9	9.9	8.4	9.0	10.0
ROE	9.5	10.6	9.1	8.1	8.0	9.0
Turnover ratios (x)						
Asset Turnover (Gross Block)	2.3	2.4	2.5	2.7	3.0	3.4
Inventory / Sales (days)	57	54	53	52	52	51
Receivables (days)	111	126	132	132	133	133
Payables (days)	38	36	33	33	32	31
WC cycle (ex-cash) (days)	130	144	152	151	153	153

Research Team Tel: 022 - 39357800

 E-mail: research@angelbroking.com

 Website: www.angelbroking.com

DISCLAIMER

Angel Broking Private Limited (hereinafter referred to as "Angel") is a registered Member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited and MCX Stock Exchange Limited. It is also registered as a Depository Participant with CDSL and Portfolio Manager with SEBI. It also has registration with AMFI as a Mutual Fund Distributor. Angel Broking Private Limited is a registered entity with SEBI for Research Analyst in terms of SEBI (Research Analyst) Regulations, 2014 vide registration number INH000000164. Angel or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities Market. Angel or its associates including its relatives/analyst do not hold any financial interest/beneficial ownership of more than 1% in the company covered by Analyst. Angel or its associates/analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. Angel/analyst has not served as an officer, director or employee of company covered by Analyst and has not been engaged in market making activity of the company covered by Analyst.

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel Broking Pvt. Limited or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Angel Broking Pvt. Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel Broking Pvt. Limited endeavors to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Neither Angel Broking Pvt. Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

Note: Please refer to the important 'Stock Holding Disclosure' report on the Angel website (Research Section). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. Angel Broking Pvt. Limited and its affiliates may have investment positions in the stocks recommended in this report.

Disclosure of Interest Statement

Radico Khaitan

1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹1 lakh for Angel, its Group companies and Directors

Ratings (Based on expected returns over 12 months investment period):

Buy (> 15%)

Accumulate (5% to 15%)
Reduce (-5% to -15%)

Neutral (-5 to 5%)
Sell (< -15)